



ENERGY ASSURANCE DAILY

Wednesday Evening, August 13, 2008

Major Developments

Update: BP Declares Force Majeure on 90,000 b/d Baku-Supsa Pipeline, Company Begins Assessment of 1 Million b/d Baku-Tbilisi-Ceyhan Pipeline Damage August 13

BP has declared force majeure on Azeri crude deliveries through its 90,000 b/d Baku-Supsa pipeline in Georgia August 13, one day after shutting the pipeline citing concern over the situation in Georgia. Despite some reports of damage to pipelines from the conflict, BP has not verified that any of the pipelines in the area sustained damage as a result of the situation. The company did announce that the damage assessment process has begun on the Baku-Tbilisi-Ceyhan (BTC) pipeline which experienced an explosion and subsequent fire August 6. Flow along the 1 million b/d BTC pipeline have been shut for over one week as BP waited for the pipeline to cool in order to begin appropriate damage assessment. A BP representative reports it may take up to one week to judge how long the BTC pipeline in Turkey will remain closed. According to a trade source in the area, the Black Sea ports in Georgia have reopened and resumed operations.

<http://www.platts.com/Oil/News/8951143.xml?p=Oil/News&sub=Oil>

<http://in.reuters.com/article/oilRpt/idINLD04125420080813?sp=true>

Electricity

Progress Energy's 950 MW Harris Nuclear Plant in North Carolina Shut August 13

A company representative reports the plant will be shut down for a few days to repair a leaking condenser seal.

<http://abclocal.go.com/wtvd/story?section=news/local&id=6322483>

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power August 13

According to the Nuclear Regulatory Commission, the unit was operating at 75 percent on August 12.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: NPPD's 764 MW Cooper Nuke Unit in Nebraska Ramped Up to 72 Percent August 13

According to the Nuclear Regulatory Commission, the unit was operating at 20 percent on August 12.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

NaiKun Wind Energy Group's Planned 320 MW Phase I Wind Project Offshore British Columbia Registers with BC Hydro

NaiKun Wind Energy Group Inc. announced August 12 its planned 320 MW Phase 1 offshore wind project has been registered with BC Hydro as part of the Clean Power Call Request for Proposal (RFP) process.

http://www.naikun.ca/news_media/news.php?id=62

Update: OPG's 490 MW Nanticoke Coal-fired Unit 3 in Ontario Returns to Service August 13

The unit was shut August 12 for unknown reasons.

Reuters, 08:06 August 13, 2008

Update: OPG's 490 MW Nanticoke Coal-fired Unit 6 in Ontario Returns to Service August 13

The unit was shut August 11 for unknown reasons.
Reuters, 08:06 August 13, 2008

TransAlta's 406 MW Sundance Coal-fired Unit 4 in Alberta Shut August 13

Reuters, 8:17 August 13, 2008

Petroleum

TEPPCO Halts Low Sulfur Diesel Liftings from Shreveport, Louisiana Terminal August 12, to Resume August 21

According to a notice sent to shippers August 12, TEPPCO Partners reports it is halting liftings of low sulfur diesel from its Shreveport, Louisiana terminal from Tuesday afternoon until August 21. The company made the decision, it said in the notice, based on the increased liftings and low supply from the Gulf Coast region. The notice also reports the Shreveport terminal has an adequate supply of ultra low sulfur available.

<http://www.reuters.com/article/marketsNews/idUSN1251228620080812>

Update: ExxonMobil's Esso Angola Begins Production at Saxi and Batuque Oil Fields Offshore Angola

ExxonMobil's subsidiary Esso Angola announced August 13 it has started production from the Saxi and Batuque oil fields off the coast of Angola as part of the development of its Kizomba C project. The Kizomba C project is comprised of three fields expected to product 200,000 b/d later in 2008; Mondo which came on stream in January 2008, Saxi and Batuque. The Kizomba C development is designed to produce a total of approximately 600 million barrels of oil over the life of the three producing fields.

http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news_view&ndmConfigId=1001106&newsId=20080812006403&newsLang=en

OPEC Production Increases 370,000 b/d in July – Saudi Arabia's Oil Production Responsible for Majority of Increase

According to EIA's latest Short-Term Energy Outlook, the Organization of Petroleum Exporting Countries (OPEC) increased its oil production by 370,000 b/d as compared to June 2008. Saudi Arabia raised its oil production by 250,000 b/d in the month of July 2008, accounting for most of the increase.

EIA's Short-Term Energy Outlook: <http://www.eia.doe.gov/emeu/steo/pub/contents.html>
http://www.rigzone.com/news/article.asp?a_id=65401

Chevron Files Application to Expand its 330,000 b/d Pascagoula, Mississippi Refinery

Chevron filed an application recently to develop 70 acres of wetlands to expand its Pascagoula, Mississippi refinery in order to construct various facilities including a tank farm.

Bloomberg News, 11:34 August 13, 2008

Pembina Pipeline Income Fund to Build Two Pipeline Projects in Northern Alberta

Pembina Pipeline Income Fund announced August 12 plans to build the Nipisi 100,000 b/d pipeline that will carry heavy oil from Utikuma in northern Alberta to Edmonton. A second 22,000 b/d pipeline will be built in northern Alberta with plans to carry lighter grades of oil to ease shipment on pipelines. The company expects the two pipelines to be operational in 2011.

Reuters, 13:41 August 12, 2008

Update: Chevron Reports FCC Unit Operating Normally at its 260,000 b/d El Segundo, California Refinery – Contradicting Trade Sources

Chevron announced August 12 that a 72,500 b/d fluid catalytic cracking (FCC) unit was not shut at its 260,000 b/d El Segundo, California refinery, contradictory to what trade sources had been reporting.

Reuters, 15:06 August 12, 2008

Update: Marathon's 226,000 b/d Catlettsburg, Kentucky Refinery Returning to Normal Rates Following Restart of Feeder Pipeline

The refinery is resuming normal operating rates after a crude oil pipeline which supplies the refinery has been restored following an August 10 rupture.

Bloomberg News, 08:30 August 13, 2008

Reuters, 09:30 August 13, 2008

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices August 13, 2008 | | | |
|--|--------------|-----------------|-----------------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 115.96 | 118.57 | 72.12 |
| NATURAL GAS Henry Hub \$/Million Btu | 8.23 | 8.70 | 7.15 |

Source: Reuters

Energy Notes

10,943 MidAmerican Customers in Iowa Without Power August 13

<http://www.midamericanenergy.com/storm/>

Update: Dominion Generation Completes 360 MW Expansion Project at its Ladysmith Peaking Plant in Virginia

<http://biz.yahoo.com/iw/080813/0424450.html>

Update: Iowa Regulators Approve Clipper Windpower Development Company's Plan to Build 60 MW Wind Project in Iowa

<http://www.centreforenergy.com/NewsMarkets/displayNewsArticle.asp?From=EnergyHeadlines&template=2.1&NewsID=10130993>

Unplanned Flaring Reported at ConocoPhillips's 139,000 b/d Wilmington, California Refinery August 13

Reuters, 08:32 August 13, 2008

Argentina's Crude and Products Exports Decreased 60 Percent in Last Decade – Declining Production, High Taxes, Lack of Investment and Rising Domestic Demand to Blame

<http://www.platts.com/Oil/News/8951506.xml?p=Oil/News&sub=Oil>

Global LNG Fleet Must Expand by 440 Vessels before 2030 to Meet Rising Global Demand, Ocean Shipping Consultants Says

<http://www.lloydslist.com/ll/news/bigger-lng-fleet-needed-to-meet-rise-in-demand/1218405664215.htm>

Acid Gas Compressor Malfunction Reported at Waha Gas Plant in Texas August 12

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=112501>

DOE Seeks Applications for Third Round of Public-Private Cost-Shared Clean Coal Power Initiative Project by Providing up to \$340 Million in Funding

<http://www.energy.gov/news/6474.htm>

American Council for an Energy-Efficient Economy (ACEEE) Introduces New Informational State Energy Efficiency Policy Web Resource

<http://www.aceee.org/press/0808state.htm>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov